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6 Attorneys for Complainant

7  
8 **BEFORE THE**  
**CALIFORNIA BOARD OF ACCOUNTANCY**  
9 **DEPARTMENT OF CONSUMER AFFAIRS**  
**STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. AC-2005-34

11 TOM CHAMBERLIN TRAUGER  
12 aka THOMAS C. TRAUGER  
aka THOMAS CHAMBERLIN TRAUGER  
13 1771 Sonoma Avenue  
Berkeley, California 94707

**STIPULATED SETTLEMENT AND  
DISCIPLINARY ORDER**

14 Certified Public Accountant Certificate  
15 No. CPA 65040,  
16 Respondent.

17  
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-  
19 entitled proceedings that the following matters are true:

20 **PARTIES AND JURISDICTION**

21 1. Carol Sigmann, Complainant, is the Executive Officer of the California Board of  
22 Accountancy (the "Board"). She brought this action solely in her official capacity and is  
23 represented in this matter by Bill Lockyer, Attorney General of the State of California, by Jeanne  
24 C. Werner, Deputy Attorney General.

25 2. Respondent Tom Chamberlin Trauger is represented in this proceeding by Edward  
26 W. Swanson and Alexis Haller, of SWANSON & McNAMARA LLP, at 300 Montgomery  
27 Street, Suite 1100, San Francisco, California 94104.

28 3. On or about October 1, 1993, the California Board of Accountancy issued

1 Certified Public Accountant Certificate No. CPA 65040 to Tom Chamberlin Trauger,  
2 Respondent. Respondent is also known as Thomas C. Trauger and Thomas Chamberlin Trauger.  
3 The Certified Public Accountant Certificate was in full force and effect at all times relevant to  
4 the charges brought in the Accusation and expired on August 31, 2005. The delinquent  
5 certificate remains subject to the Board's jurisdiction during the five-year period which follows,  
6 because during that time it is subject to renewal by Respondent.

7 4. Accusation No. AC-2005-34 was filed before the Board and is currently pending  
8 against Respondent. The Accusation and all other statutorily required documents were properly  
9 served on Respondent on July 25, 2005. Respondent timely filed a Notice of Defense contesting  
10 the Accusation. A copy of Accusation No. AC-2005-34 is attached as Exhibit A and  
11 incorporated herein by reference.

#### 12 **WAIVERS & CONTINGENCY**

13 5. Respondent has carefully read, fully discussed with counsel, and understands the  
14 charges and allegations in Accusation No. AC-2005-34. Respondent has also carefully read,  
15 fully discussed with counsel, and understands the effects of this Stipulated Settlement and  
16 Disciplinary Order.

17 6. Respondent is fully aware of his legal rights in this matter, including the right to a  
18 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at  
19 his own expense; the right to confront and cross-examine the witnesses against him; the right to  
20 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to  
21 compel the attendance of witnesses and the production of documents; the right to reconsideration  
22 and court review of an adverse decision; and all other rights accorded by the California  
23 Administrative Procedure Act and other applicable laws.

24 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each  
25 and every right set forth above.

26 8. This stipulation shall be subject to approval by the Board. Respondent  
27 understands and agrees that counsel for Complainant and the staff of the Board may  
28 communicate directly with the Board regarding this stipulation and settlement, without notice to

1 or participation by Respondent or his counsel. By signing the stipulation, Respondent  
2 understands and agrees that he may not withdraw his agreement or seek to rescind the stipulation  
3 prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation  
4 as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force  
5 or effect, except for this paragraph, it shall be inadmissible in any legal action between the  
6 parties, and the Board shall not be disqualified from further action by having considered this  
7 matter.

8 9. Respondent agrees not to take any action or make any public statement that  
9 creates, or tends to create, the impression that any of the matters set forth in the Stipulated  
10 Settlement and Disciplinary Order are without a factual basis.

11 10. The parties understand and agree that facsimile copies of this Stipulated  
12 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same  
13 force and effect as the originals.

14 **ADMISSIONS, FINDINGS, AND FURTHER STIPULATIONS**

15 11. Respondent admits that he was convicted of one felony violation of 18 U.S.C.  
16 section 1519 (Falsification of Records In Federal Investigation - Sarbanes-Oxley) as set forth in  
17 paragraphs 10 through 16 of Accusation No. AC-2005-34. Respondent agrees that his Certified  
18 Public Accountant Certificate is subject to discipline, based on this conviction, and agrees to be  
19 bound by the Board's revocation of his license as set forth in the Disciplinary Order below.

20 12. The Board's costs in investigating and filing this matter, which costs are subject to  
21 recovery under Code section 5107, total \$8500.00. Respondent agrees not to challenge the  
22 reasonableness of these expenses in this or any other matter, petition, or application before the  
23 Board. Respondent understands that renewal or reinstatement of his certificate is governed, *inter*  
24 *alia*, by the provisions of Code section 5107, subdivisions (j)(1) and (j)(2).

25 **IN CONSIDERATION OF THE FOREGOING** admissions and stipulations, the  
26 parties agree that the Board may, without further notice or formal proceeding, issue and enter the  
27 following Disciplinary Order:

28 \\\n

DEC-30-2005 12:16

P.05


**DISCIPLINARY ORDER**

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA 65040 issued to Respondent Tom Chamberlin Trauger is revoked.

**ACCEPTANCE**


I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorneys, Edward W. Swanson and Alexis Haller, of SWANSON & McNAMARA LLP. I understand the stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: 12/30/05

  
TOM CHAMBERLIN TRAUGER  
Respondent

I have read and fully discussed with Respondent Thomas Chamberlin Trauger the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 12/30 2005.

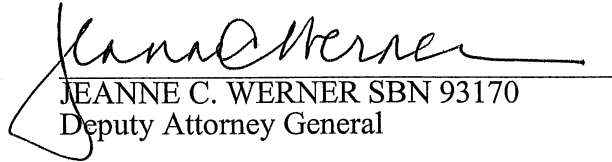
  
EDWARD W. SWANSON SBN 159859  
ALEXIS HALLER SBN 201210  
SWANSON & McNAMARA LLP  
Attorneys for Respondent

**ENDORSEMENT**

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: \_\_December 30, 2005.

BILL LOCKYER, Attorney General  
of the State of California

  
JEANNE C. WERNER SBN 93170  
Deputy Attorney General

Attorneys for Complainant

DOJ Matter ID: SF2005400457  
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**BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2005-34

TOM CHAMBERLIN TRAUGER  
1711 Sonoma Avenue  
Berkeley, California 94707

OAH No.

Certified Public Accountant Certificate  
NO. CPA 65040

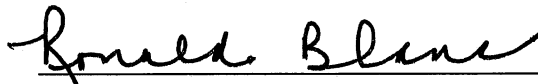
Respondent

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order revoking CPA Certificate No. 65040 is hereby adopted the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on February 24, 2006.

It is so ORDERED January 25, 2006.



FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS

BILL LOCKYER, Attorney General  
of the State of California  
JEANNE C. WERNER, State Bar No. 93170  
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Attorneys for Complainant

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DEPARTMENT OF CONSUMER AFFAIRS  
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In the Matter of the Accusation Against:

Case No. AC-2005-34

TOM CHAMBERLIN TRAUGER  
a/k/a Thomas C. Trauger  
1771 Sonoma Avenue  
Berkeley, California 94707

**ACCUSATION**

Certified Public Accountant No. CPA 65040

Respondent.

Complainant alleges:

**PARTIES AND JURISDICTION**

1. Complainant Carol Sigmann brings this Accusation under the authority of Section 5100 of the Business and Professions Code,<sup>1</sup> solely in her official capacity as the Executive Officer of the California Board of Accountancy, Department of Consumer Affairs.

2. On or about October 1, 1993, the California Board of Accountancy issued Certified Public Accountant Certificate Number CPA 65040 to Tom Chamberlin Trauger, Respondent. Respondent is also known as Thomas C. Trauger and Thomas Chamberlin Trauger. The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought herein and is valid through August 31, 2005, at which time it will expire

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1. All statutory references are to the Business and Professions Code unless otherwise indicated.

1 unless renewed.

2       3.       Section 5100 of the Business and Professions Code provides, in relevant part, that,  
3 after notice and hearing the board may revoke, suspend or refuse to renew any permit or  
4 certificate granted, or may censure the holder of that permit or certificate, for unprofessional  
5 conduct which includes, but is not limited to, one or any combination of the causes specified  
6 therein, including:

7           5100 (a)       Conviction of any crime substantially related to the qualifications,  
8                           functions and duties of a certified public accountant or a public  
9                           accountant.

10          5100(c)       Dishonesty, fraud, or gross negligence in the practice of public  
11                           accountancy

12          5100(h)       Suspension or revocation of the right to practice before any governmental  
13                           body or agency.

14          5100(l)       The imposition of any discipline, penalty, or sanction on a registered  
15                           public accounting firm or any associated person of such firm, or both, or  
16                           on any other holder of a permit, certificate, license, or other authority to  
17                           practice in this state, by the Public Company Accounting Oversight Board  
18                           or the United States Securities and Exchange Commission, or their  
19                           designees under the Sarbanes-Oxley Act of 2002 or other federal  
20                           legislation.

21       4.       Under Board Rule 99<sup>2</sup>, a crime or act is substantially related to the qualifications,  
22 functions, or duties of a CPA if, to a substantial degree, it evidences present or potential unfitness  
23 to perform the functions authorized by the licensee's certificate or permit in a manner consistent  
24 with the public health, safety, or welfare. Rule 99 provides that crimes involving dishonesty,  
25 fraud or gross negligence in the practice of public accountancy are included in those which are,  
26 by definition, substantially related to the qualifications, functions or duties of a certified public

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27  
28       2. Codified at Title 16, California Code of Regulations, section 99.



1 accountant.

2           5.       Section 5106 provides in pertinent part that a conviction means a plea of  
3 guilty...(and) any action which a board is permitted to take following the establishment of a  
4 conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has  
5 been affirmed on appeal, or when an order granting probation is made suspending the imposition  
6 of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the  
7 Penal Code.

8           6.       Code section 5063 requires that a licensee report to the Board in writing the  
9 occurrence of certain events within 30 days of the date the licensee has knowledge of these  
10 events. Among the events are the following: a felony conviction; a crime related to the  
11 qualifications, functions, or duties of a certified public accountant; and a crime involving theft,  
12 embezzlement, misappropriation of funds or property, breach of a fiduciary responsibility, or the  
13 preparation, publication, or dissemination of false, fraudulent, or materially misleading financial  
14 statements, reports, or information (Code section 5063(a)(1)(A),(B)and (C). As used in Code  
15 section 5063, a conviction includes a finding of guilt even though that conviction may not be  
16 final or sentence actually imposed until appeals are exhausted. Also among reportable events are  
17 the suspension of the right to practice as a certified public accountant before any governmental  
18 body or agency ((Code section 5063(a)(3)).

19           7.       Pursuant to Code section 118(b), the suspension, expiration, or forfeiture by  
20 operation of law of a license issued by the Board shall not during any period within which it may  
21 be renewed, restored, reissued or reinstated, deprive the Board of its authority to institute or  
22 continue a disciplinary proceeding against the licensee upon any ground provided by law or to  
23 enter an order suspending or revoking the license or otherwise taking disciplinary action against  
24 the licensee on any such ground. Code section 5070.6 provides that an expired permit may be  
25 renewed at any time within five years after its expiration upon compliance with certain  
26 requirements.

27           8.       Code section 5107 provides for recovery by the Board of all reasonable costs of  
28 investigation and prosecution of the case, including, but not limited to, attorney's fees, in

1 disciplinary actions. A certified copy of the actual costs, or a good faith estimate of costs signed  
2 by the Executive Officer, constitute prima facie evidence of reasonable costs of investigation and  
3 prosecution of the case. Section 5107 further provides:

4 ... (c) The administrative law judge shall make a proposed finding of the amount of  
5 reasonable costs of investigation and prosecution of the case when requested to do so by  
6 the executive officer pursuant to subdivision (a). Costs are payable 120 days after the  
7 board's decision is final unless otherwise provided for by the administrative law judge or  
8 if the time for payment is extended by the board.

9 ... (d) The finding of the administrative law judge with regard to cost shall not be  
10 reviewable by the board to increase the cost award. The board may reduce or eliminate  
11 the cost award, or remand to the administrative law judge where the proposed decision  
12 fails to make a finding on costs requested by the executive officer pursuant to subdivision  
13 (a).

14 ... (e) The administrative law judge may make a further finding that the amount of  
15 reasonable costs awarded shall be reduced or eliminated upon a finding that respondent  
16 has demonstrated that he or she cannot pay all or a portion of the costs or that payment of  
17 the costs would cause an unreasonable financial hardship which cannot be remedied  
18 through a payment plan.

19 ... (f) When an administrative law judge makes a finding that costs be waived or reduced,  
20 he or she shall set forth the factual basis for his or her finding in the proposed decision.  
21

22 9. Code section 5000.1 provides as follows: "Protection of the public shall be the  
23 highest priority for the California Board of Accountancy in exercising its licensing, regulatory,  
24 and disciplinary functions. Whenever the protection of the public is inconsistent with other  
25 interests sought to be promoted, the protection of the public shall be paramount."

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**FOR CAUSES FOR DISCIPLINE**

**First Cause for Discipline - Conviction of a Felony  
[Bus. & Prof. Code Section 5100(a)]**

10. Respondent is subject to disciplinary action pursuant to Code section 5100(a) in that, on October 29, 2004, he was convicted, pursuant to his guilty plea, in the United States District Court, Northern District of California, in *United States of America v. Thomas C. Trauger*, Case No. 03-0308 JSW (N.D. Cal. Feb. 1, 2005), of one felony violation of 18 U.S.C. section 1519 (Falsification of Records In Federal Investigation - Sarbanes-Oxley). At all times relevant to the conviction, Respondent held an active California CPA license.

11. Criminal Charges. In *United States of America v. Thomas C. Trauger*, Respondent was originally charged with two counts of conspiracy to obstruct the examination of a financial institution and one count charging falsification of records in a federal investigation in violation of the Sarbanes-Oxley Act of 2002, in connection with his alleged misconduct while serving as the audit engagement partner on Ernst & Young's NextCard audit engagement. The criminal Complaint alleged that, between approximately March 2002 and April 2002, Respondent assisted in the collection and production of altered workpapers to the Office of the Comptroller of the Currency ("OCC"), pursuant to a subpoena addressed to Mr. Trauger. Further, the Complaint alleged that, in April 2003, Respondent gave sworn testimony to the SEC related to NextCard where he allegedly concealed his alteration and destruction of documents when questioned about his role in the production of E&Y's audit working papers to the OCC.

12. Plea Agreement. Respondent pled guilty to Count 3 of the Indictment, charging him with Falsification of Records in Federal Investigation. Respondent's conviction stems from testimony he gave at his appearance, on or about April 30, 2003, before the Securities and Exchange Commission pursuant to an administrative subpoena duly issued to him as a partner at the accounting firm of Ernst & Young, LLP ("E&Y").

13. Details of Plea Agreement. As set forth in the Plea Agreement, Respondent admitted the following:

A. The purpose of Respondent's appearance before the SEC was to provide

1 testimony under oath regarding the audit work he and the audit team he supervised at E&Y  
2 performed on the NextCard, Inc. engagement.

3 B. Respondent was aware at the time that the SEC was conducting an  
4 investigation into the collapse of NextCard, Inc., a once publicly-traded on-line credit card  
5 company.

6 C. E&Y was engaged by NextCard, Inc. to perform independent auditing  
7 services required by SEC rules and regulations.

8 D. In the capacity of audit engagement partner for the NextCard audit  
9 engagement, Respondent held a position of public trust.

10 14. Respondent further admitted that he was asked (in his SEC testimony) to describe  
11 the actions he took in response to providing documents called for in a March 1, 2002, subpoena  
12 issued by the OCC to E&Y. Respondent admitted that, in response to the SEC's questions, he  
13 did not tell the SEC that certain workpapers related to the annual audit of the financial statements  
14 of NextCard Inc. for the year ended December 31, 2000, and the quarterly working papers for the  
15 year 2001, had been altered and that considerable portions of those workpapers were deleted in  
16 November, 2001.

17 15. Respondent agreed that, by not informing the SEC of alterations and deletions to  
18 the workpapers, he knowingly concealed and covered up a record, document, and tangible object,  
19 that is, the original version of the working papers, with the intent to impede, obstruct, and  
20 influence the investigation and proper administration of a matter within the jurisdiction of the  
21 SEC, an agency of the United States.

22 16. Sentence. Respondent was sentenced to twelve months in federal prison, was  
23 ordered to pay a \$5,000 fine and undergo two years of supervised release.

24 17. Incorporating by reference the allegations in paragraphs 10 through 16,  
25 Respondent's Certified Public Accountant certificate is subject to discipline under Code section  
26 5100(a) in that the felony conviction is a crime substantially related to the qualifications,  
27 functions or duties of a CPA within the meaning of Board Rule 99. Respondent admitted that he  
28 did not tell the SEC about the concealment of the original version of the working papers of an

1 audit engagement for which he acted as engagement partner, which constituted dishonesty, fraud,  
2 and/or gross negligence in the practice of public accountancy, in that his duty to testify honestly  
3 is directly related to his duties as a certified public accountant and to his fitness for practice.

4 **Second Cause for Discipline -Imposition of Discipline,**  
5 **Penalty or Sanction by the SEC**  
6 **[Business and Professions Code § 5100(l)]**

7 18. As further described below, Respondent Trauger was the subject of two separate  
8 proceedings before the Securities and Exchange Commission - *Order Instituting Public*  
9 *Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice*  
10 *("OIP")* (Securities Exchange Act Rel. No. 48543), and, *In the Matter of Thomas C. Trauger,*  
11 *CPA,* Exchange Act Rel. No. 51307.

12 19. First SEC Proceeding against Trauger. On September 25, 2003, the Commission  
13 issued an *Order Instituting Public Administrative Proceedings Pursuant to Rule 102(e) of the*  
14 *Commission's Rules of Practice ("OIP")* (Securities Exchange Act Rel. No. 48543) against  
15 Trauger and another individual (Mullen) pursuant to rule 102(e)(1)(ii) of the Commission's  
16 Rules of Practice, which authorizes the Commission to censure or suspend (temporarily or  
17 permanently) a person who has engaged in unethical or improper professional conduct. The OIP  
18 alleged that Trauger, among other things, engaged in unethical or improper professional conduct  
19 in connection with a 2000 E&Y audit of NextCard, Inc., to wit, that, in approximately October  
20 2001, Respondent, assisted by two other Ernst and Young engagement team members<sup>3</sup>, began to  
21 alter and destroy copies of working papers related to E&Y's audit work for its client NextCard,  
22 Inc., a publicly-traded, San Francisco-based issuer of credit cards over the Internet. The  
23 documentation destruction allegedly occurred after the working papers had been completed and  
24 during an OCC examination of NextCard's banking subsidiary, NextBank. The bulk of the  
25 destruction of documentation allegedly followed an October 31, 2001, announcement by  
26 NextCard that the OCC and the Federal Deposit Insurance Corporation would require NextBank  
27 to revise certain accounting assumptions which would in turn cause the bank to be severely

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28 3. These auditors, Messrs. Flanagan and Mullen, are not California licensees.

1 undercapitalized under federal banking regulations. Respondent was alleged to have destroyed,  
2 altered, and falsified both hard and electronic copies of working papers related to E&Y's audit of  
3 NextCard's financial statements for its fiscal year ended December 31, 2000, and E&Y's review  
4 of NextCard's financial statements for its quarterly reporting periods ending March 31, 2001, and  
5 June 30, 2001.

6 20. Second SEC Proceeding Against Trauger. The second SEC proceeding, *In the*  
7 *Matter of Thomas C. Trauger, CPA*, Exchange Act Rel. No. 51307, was resolved on March 3,  
8 2005, by the issuance of an *Order of Forthwith Suspension Pursuant to Rule 102(e)* against  
9 Trauger, in which proceeding Trauger was suspended from appearing or practicing before the  
10 Commission pursuant to Rule of Practice 102(e) because of his felony conviction described in  
11 paragraph 10 above (*United States v. Thomas C. Trauger*, No. CR 03-0308 JSW (N.D.Cal.Feb 1,  
12 2005)).

13 21. Resolution of First SEC Proceeding. Subsequently, the SEC's Order Instituting  
14 Administrative Proceedings, *In the Matter of Thomas C. Trauger, CPA, Respondent* (see  
15 paragraphs 18 and 19 above) was dismissed on March 25, 2005, in the Commission's *Order*  
16 *Dismissing Administrative Proceeding As To Thomas C. Trauger, CPA* (Securities Exchange Act  
17 Rel. No. 51435, also Accounting and Auditing Enforcement Rel. No. 2217 and Admin. Proc. file  
18 No. 3-11270), on the ground that the Commission had already suspended him from practice in a  
19 separate proceeding (that is, the proceeding described in paragraph 20 above, based upon his  
20 conviction) and on the additional grounds that a second suspension would be duplicative; that a  
21 record of his activities had been established (by the plea agreement) in the event of additional,  
22 future disciplinary action; and that dismissal should be granted "in the interest of justice, and to  
23 preserve the Commission's resources..."

24 22. Incorporating by reference the matters alleged in paragraphs 18 through 21 above,  
25 the Certified Public Accountant Certificate of Respondent Trauger is subject to disciplinary  
26 action, in that the Commission's *Order of Forthwith Suspension* constitutes the imposition of a  
27 penalty, sanction, or discipline on the Respondent by the United States Securities and Exchange  
28 Commission within the meaning of Code Section 5100(l), establishing cause for discipline of

Respondent's license under Code Section 5100.

**Third Cause for Discipline - Suspension of Right to Practice  
Before a Governmental Body or Agency  
[Business and Professions Code § 5100(h)]**

23. Complainant realleges paragraphs 18 through 21 above, and incorporates them herein by reference as if fully set forth at this point.

24. The Certified Public Accountant Certificate of Respondent Trauger is subject to disciplinary action, in that the Commission's *Order of Forthwith Suspension* constitutes the suspension of Respondent's right to practice before a governmental body or agency within the meaning of Code Section 5100(h), establishing cause for discipline of his license under Code Section 5100.

**Fourth and Fifth Causes for Discipline - Reportable Event Violations  
[Bus. & Prof. Code Section 5100(g)/5063]**

25. Complainant realleges the matters set forth in paragraphs 10 and 20 above.

26. As set forth in paragraph 10, Respondent was convicted of one felony count related to the qualifications, functions or duties of a CPA. This conviction constitutes a reportable event within the meaning of Code section 5063(a)(1)(A); Code Section 5063(a)(1)(B) and Board Rule 99; and Code Section 5063(a)(1)(C) in that Respondent's crime involved the publication and/or dissemination of false, fraudulent, or materially misleading financial information.

27. Respondent has failed to notify the Board, pursuant to Code section 5063, of the reportable event referenced in paragraphs 10 and 26 herein, constituting cause for discipline of his license pursuant to Code section 5063 in conjunction with Code section 5100(g).

28. As set forth in paragraph 20, Respondent's right to practice before the United States Securities and Exchange Commission was suspended. This suspension constitutes a reportable event within the meaning of Code section 5063(a)(2).

29. Respondent has failed to notify the Board, pursuant to Code section 5063, of the reportable event referenced in paragraphs 20 and 28 herein, constituting cause for discipline of his license pursuant to Code section 5063 in conjunction with Code section 5100(g).

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**OTHER MATTERS**

30. Pursuant to Code section 5107, it is requested that the administrative law judge, as part of the proposed decision in this proceeding, direct Respondent to pay to the Board all reasonable costs of investigation and prosecution in this case, including, but not limited to, attorneys' fees.

31. It is charged, in aggravation of penalty, that the Respondent took advantage of a position of trust or confidence to commit the offenses, and that Respondent knowingly made false or misleading promises or statements which impeded a SEC investigation, and he acted with the intent to defraud.

**PRAYER**

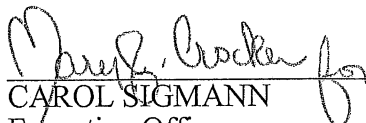
WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the California Board of Accountancy issue a decision:

1. Revoking, suspending, or otherwise imposing discipline upon Certified Public Accountant Certificate Number CPA 65040, issued to Tom Chamberlin Trauger.

2. Ordering Tom Chamberlin Trauger to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107;

3. Taking such other and further action as deemed necessary and proper.

DATED: July 7, 2005

  
CAROL SIGMANN  
Executive Officer  
California Board of Accountancy  
Department of Consumer Affairs  
State of California  
Complainant

SF2005400457  
Trauger accusation final.wpd